

# Default Options: Just A Nudge Or Something More?

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## Problem of practice

Default options<sup>i</sup> are widely used to influence customer decisions, whether it's email subscriptions, menu selections or delivery modes in food and grocery apps. Managers often assume defaults work simply because they reduce the effort consumers make. However, recent [research](#) by Nicolette J. Sullivan and a team of collaborators reveals that this view is incomplete: Defaults don't just make life easier – they can actually change how customers value options.<sup>1</sup> If managers overlook how defaults truly work, they risk missing key opportunities to guide customer decisions meaningfully. Poorly designed defaults can lead to lost chances for premium upgrades, product bundles or valuable add-ons, which could benefit both the customer and the business. Worse still, defaults that appear manipulative or self-serving can erode trust, provoke customer backlash and invite regulatory scrutiny. Treating defaults as simple shortcuts, when they actually shape how customers evaluate and choose, could lead to wasted design effort and missed revenue. To capitalise on the new insights, managers must treat defaults as value-shaping tools, not just effort-saving conveniences. Defaults work best when they align with customer goals, are placed in moments of ambiguity and are not perceived as self-serving. Such a nuanced understanding of defaults is particularly relevant to product managers, designers of user experience<sup>ii</sup>, and marketers aiming to build trust and drive better outcomes

<sup>1</sup>The article 'The Golden Halo of Defaults in Simple Choices' by Nicolette J. Sullivan, Alexander Breslav, Samyukta S. Doré, Matthew D. Bachman, and Scott A. Huettel featured in Volume 62, Issue 2 of *Journal of Marketing Research*, shows that when a product or option is set as the default, people tend to see it more positively and choose it more often and the study finds this 'default effect' is strongest when it matches people's preferences and weaker when it conflicts with their goals

## Consumer decision-making

Defaults are preselected options presented as the recommended or standard choice in a decision. One of the earliest and most influential applications of defaults was in [retirement](#) savings. In 2001, researchers showed that employee participation in retirement savings plans increased significantly when enrolment was automatic compared to when active sign-up was required.<sup>2</sup> Since then, defaults have been widely used across various sectors, for example, in opt-out [organ donation](#) programs in countries such as Austria and Spain, in utility services that preselect green energy plans, on streaming platforms with auto-renewing subscriptions, and in quick commerce apps that nudge sustainable delivery choices.<sup>3</sup>

Defaults are powerful because they influence the consumer decision-making process. For instance, the introduction of automatic enrolment in the U.K. in 2012 improved employee retirement savings to [88%](#) by 2023.<sup>4</sup> Defaults are especially effective at key decision moments in the customer journey where customers are unsure, overwhelmed or less motivated to actively evaluate all alternatives. When Netflix introduced autoplay as the default setting, the average [daily viewing](#) time increased by 30%, according to internal studies.<sup>5</sup> Designing effective default options allows firms to guide behaviour before habits are formed or deep preferences emerge.

### How defaults drive choices

Defaults are deliberately designed through a strategic choice architecture<sup>iii</sup> to influence how they are perceived. Prior research highlights four reasons why defaults work:

- **Effort avoidance:** People stick with defaults to avoid small but inconvenient actions, like changing preselected privacy settings.
- **Lack of attention:** Users often miss alternatives, like pre-checked newsletter boxes during software installation.
- **Familiarity bias<sup>iv</sup>:** People stick with known options, such as saved payment methods.
- **Implied endorsement:** Defaults labelled as 'recommended' are often accepted without scrutiny, assuming the provider knows best.

Each of these mechanisms views defaults as tools that reduce friction or rely on cognitive shortcuts. However, in many real-world settings, people still prefer the default even when switching costs are negligible, the

default is clearly visible, or there's no recommendation or familiarity bias. For example, many card swipe machines at cafes set a default tip of 10%, yet most customers stick with it even when lower or no-tip options are clearly visible and more financially beneficial. On Alibaba's Eleme platform, a similar no-cutlery default resulted in a 648% increase in no-cutlery orders, saving an estimated [22 billion](#) plastic sets, although opting in for cutlery was a visible, easy alternative.<sup>6</sup> In Amsterdam, switching to an opt-in default for [unaddressed mail](#) resulted in a significant drop in paper waste and annual municipal savings of up to €285,000.<sup>7</sup> Even in investment contexts, nearly 50% of U.S. retail investors chose socially responsible funds when these were set as the default, despite having the choice to opt out easily.

These examples show that defaults can influence choice beyond mere convenience or habit. If defaults work even without effort reduction, familiarity or endorsement, their power comes from shaping how consumers value options, making defaults active influencers, not just passive aids.

### Golden Halo or lazy autopilot?

Research shows that even when effort, visibility, familiarity and recommendation cues are carefully removed from a decision, defaults still exert a powerful influence. People are more likely to choose the default. However, there is a catch: participants in the research chose the default after spending more time evaluating it, and their preference shifted toward it, even when the default was objectively inferior.

This was evidenced not only in behavioural outcomes but also through eye-tracking<sup>v</sup> data. Eye-tracking studies show that when people face default options, they spend more time looking at them and give them more careful attention. Contrary to popular belief, defaults do not always lead to reduced thinking. In fact, defaults attract more scrutiny than the alternatives. Even when objectively inferior, people tend to re-evaluate the default option more favourably. For example, several donation platforms, such as [Ketto](#) and [DonateKart](#), prefer to suggest a default donation amount (e.g., €10, €20, or €50), as the default choices significantly influence both donation frequency and size, with a majority of people choosing the preset amount.<sup>8</sup>

Further analysis using decision-tracking models revealed that defaults don't simply speed up choices. Instead, they change how people weigh information. Defaults guide attention and reframe how people assess value. This reflective process nudges consumers to view

the default as more attractive, not because it is inherently better, but because its status as the 'preselected' option invites reinterpretation.

Zomato, a popular [food delivery](#) platform in India, set 'No cutlery required' as the default for food orders.<sup>9</sup> Although customers could easily opt for cutlery, most chose to stick with the default option. Similarly, [Duolingo](#), a globally used language learning app, sets a 10-minute daily learning goal by default.<sup>10</sup> While users can adjust this, many keep the preset goal, perceiving it as manageable and appropriate.

**Table 1: Rethinking defaults - then vs. now**

| Key idea                          | Old assumption  | New takeaway  |
|-----------------------------------|---|---|
| <b>Why defaults work</b>          | They reduce effort or friction in decision-making     | They change how consumers evaluate and perceive options                       |
| <b>Consumer mindset</b>           | People accept defaults passively to avoid thinking    | People often scrutinise defaults more carefully, assigning them greater value |
| <b>Role of attention</b>          | Defaults work because consumers overlook alternatives | Eye-tracking shows consumers pay more attention to defaults                   |
| <b>Psychological mechanism</b>    | Defaults act as shortcuts (heuristics, biases)        | Defaults reframe value through the 'Golden Halo' effect                       |
| <b>Impact on decision quality</b> | Defaults simplify choices and speed up decisions      | Defaults can alter preferences, even making inferior options more appealing   |
| <b>Managerial use</b>             | Defaults are nudges to reduce drop-off or friction    | Defaults can be strategic levers for preference shaping and value alignment   |

Source: Created by the author

These patterns reveal what can be described as the *Golden Halo* effect<sup>vi</sup>. A default option appears to carry added weight, as if a halo has been cast over it. It feels subtly elevated, more appropriate, more valuable, or simply the right choice, even when no other cues suggest this. The Golden Halo is strongest in ambiguous or evenly matched choices, where neither option dominates on objective criteria.

## The default playbook

While the Golden Halo effect provides a powerful lens for understanding the impact of defaults, it is also essential to identify boundary conditions—specific contexts where defaults are less likely to influence consumer choice. Recognising these limits is critical for managers who want to apply defaults strategically.

- **When the default is clearly inferior:** Defaults lose power when they are visibly worse than

alternatives, like lower-rated products, costlier plans, or slower delivery.

- **When preferences are strong and well formed:** Defaults work best in ambiguous choices; clear preferences (like smartphone brands or treatments) reduce their impact
- **When consumers are highly involved or motivated:** In high-stakes decisions (e.g., buying a car, selecting a mortgage), consumers invest more effort, weakening default influence.

- **When defaults are perceived as self-serving:** Defaults that mainly benefit the firm (e.g., costly add-ons) can trigger scepticism and damage trust.
- **When the default conflicts with personal goals:** Defaults that conflict with personal values (e.g., sustainability or lifestyle) often backfire.

Table 2 provides a concise summary of when defaults are effective and when they are likely to be less effective.

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### Four reasons why defaults work:

- Effort avoidance
  - Lack of attention
  - Familiarity bias
  - Implied endorsement
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**Table 2: Default effectiveness matrix - when defaults work and when they don't**

| Involvement /Preference             | Weak/Unclear preferences   | Strong/Well-formed preferences  |
|-------------------------------------|--|---|
| <b>Low stakes/Low involvement</b>   | <p>Defaults are highly effective</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Preselected delivery mode on food apps</li> <li>• Preselected tip percentage on digital payment machines</li> <li>• Default notification frequency for procurement systems</li> </ul>   | <p>Defaults may have a limited impact</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Preselected seat in a cinema for a movie enthusiast</li> <li>• Default ringtone selection for smartphone users with specific tone preferences</li> <li>• Default audience targeting in campaign management tools</li> </ul> |
| <b>High stakes/High involvement</b> | <p>Defaults may be moderately effective if framed well</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Default vendor shipping method in supply chain contracts (standard vs. express)</li> <li>• Default investment fund in retirement planning portals</li> <li>• Default software settings for non-critical features</li> </ul> | <p>Defaults would have minimal impact</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Default software configuration in SaaS onboarding</li> <li>• Default car model selection during vehicle purchase</li> <li>• Preselected loan tenure in consumer financing</li> </ul>  |

Source: Created by the author based on the [research](#) by Nicolette J. Sullivan and team

## Effective default design

Designing effective defaults isn't just about design resources; managers must also weigh costs, risks and operational trade-offs. Some defaults, such as simplifying opt-out flows or adjusting visual framing, can be implemented at a low cost using existing user experience design and product teams. However, more sophisticated defaults, those aligned with customer goals or based on behavioural feedback, often require customer databases, A/B testing and behavioural research, which add moderate to high costs. For example, Spotify's auto-renewal default relies on personalised listening data and targeted nudges, requiring substantial investment in data infrastructure, experimentation, and monitoring. *Table 3* provides a guiding tool to help managers design defaults in the choice architecture.

However, more personalised defaults can also raise privacy concerns. Collecting detailed user data may trigger customer discomfort, legal risk or regulatory scrutiny under laws such as the General Data Protection Regulation (GDPR). For instance, fitness apps like [Strava](#) faced backlash when they unintentionally exposed sensitive military locations, including secret army bases.<sup>11</sup> This was because the default data-sharing setting was enabled, and many users were unaware that

their location information was publicly visible. Managers must design transparent defaults, offer clear opt-outs and involve legal and compliance teams to avoid backfiring on customer trust.

Well-designed defaults can drive measurable gains across customer experience, operational efficiency and business growth. Zomato witnessed a 74% reduction in single-use plastic cutlery when it introduced 'No Cutlery Required' as the delivery default. This proved not only to be a win for the environment but also to lower packaging costs and streamline delivery logistics. Subscription platforms that default to bundled or mid-tier plans have seen a 20–30% increase in premium upgrades, directly lifting the average revenue per user. In digital learning apps like Duolingo, defaulting to a manageable 10-minute daily goal has helped sustain higher daily engagement and reduce user churn.

For managers, the message is clear: Thoughtfully designed defaults can simultaneously enhance customer satisfaction, minimise waste, lower costs and drive revenue growth. Defaults are not just passive choices; they actively shape customer preferences and can deliver compounding benefits when aligned with customer goals. So, the real takeaway is not whether to use defaults, but how to use them effectively to deliver substantive gains.

**Table 3: The default design canvas**

| <b>What to get right</b>    | <b>Why it matters to default design</b>   | <b>Guiding question</b>   | <b>Examples</b>   |
|-----------------------------|---|---|---|
| <b>Decision moment</b>      | Defaults are most powerful when placed at moments of low attention or high uncertainty, as they frame what is sensible when preferences are weak                                | Where in the journey is the user most uncertain or passive?         | Many banking apps preselect a basic savings plan during the new user onboarding process. Instead of defaulting to a generic option, banks could offer a preselected plan that aligns with the user's stated savings goal (e.g., travel or education fund) to gently guide users toward more relevant financial products |
| <b>Goal alignment</b>       | Defaults are more persuasive when they align with the user's underlying goals, enhancing the Golden Halo effect   | Does the default help users achieve a goal they already value?      | Fitbit currently preselects a weekly fitness goal of '3 workouts per week' by default. A more effective approach could involve personalising the default based on the user's initial fitness assessment or onboarding questionnaire to better align with their actual fitness goals                                     |
| <b>Do I trust this?</b>     | Defaults can backfire if perceived as self-serving. Trust amplifies the default's persuasive power  | Is the default perceived as helping the user, not just the company? | Subscription services like Spotify offer auto-renewal by default but build trust by providing clear, easy-to-find cancellation options and timely reminders before renewal. This transparency signals that the default serves the user, not just the company's interests  |
| <b>Visual framing</b>       | The visual prominence of a default draws more attention and leads to a deeper evaluation, rather than just passive acceptance   | Is the default visually prominent but not manipulative?             | Streaming platforms like Netflix often preselect the 'Standard' subscription plan, which is visually highlighted with a border. This can be improved by ensuring the plan is highlighted without overshadowing other options, using balanced visual cues to make the default persuasive but not coercive                |
| <b>Switching simplicity</b> | Defaults retain power when opting out is easy, but still frequently overlooked. Friction is not the key driver, but difficult switching may lead to perceptions of manipulation | Is opting out easy and frictionless?                                | Many apps default to sending all notifications. While users can change this, the controls are often buried in advanced settings. A better design would allow users to easily adjust notification frequency directly from the first login or onboarding screen   |
| <b>Ambiguity leverage</b>   | When consumers face ambiguous choices, defaults help anchor decisions. The Golden Halo effect is strongest in these settings  | Is the choice ambiguous enough for the default to guide preference? | Many airlines preselect carbon offset options during ticket checkout, where customers often have limited knowledge about carbon impact. Framing the default as 'Recommended for sustainable travel' leverages the ambiguity to steer choices without overwhelming the customer  |
| <b>Feedback mechanism</b>   | Continuous tracking allows defaults to be refined and not misapplied in contexts where they might backfire  | Can we track how users respond to defaults and refine accordingly?  | SaaS platforms often run A/B tests to compare user responses to a preselected subscription plan versus a non-default flow. For example, testing whether users stick with a preselected mid-tier plan more often than when no default is set helps fine-tune default effectiveness                                       |

Source: Created by the author based on the research by Nicolette J. Sullivan and team

## Glossary of technical terms used

<sup>i</sup> **Default option** is a preselected choice is presented to the user as the starting point in a decision. To change the choice, the user must uncheck the checkbox.

<sup>ii</sup> **User Experience** or UX is the overall experience a person has when interacting with a product, service, or system, particularly in terms of ease, satisfaction, and usability.

<sup>iii</sup> **Choice architecture** is the way options are structured and presented that influences decision-making without removing freedom of choice.

<sup>iv</sup> **Familiarity bias** is a cognitive bias where people prefer choices they recognise or have used before, even if better alternatives are available.

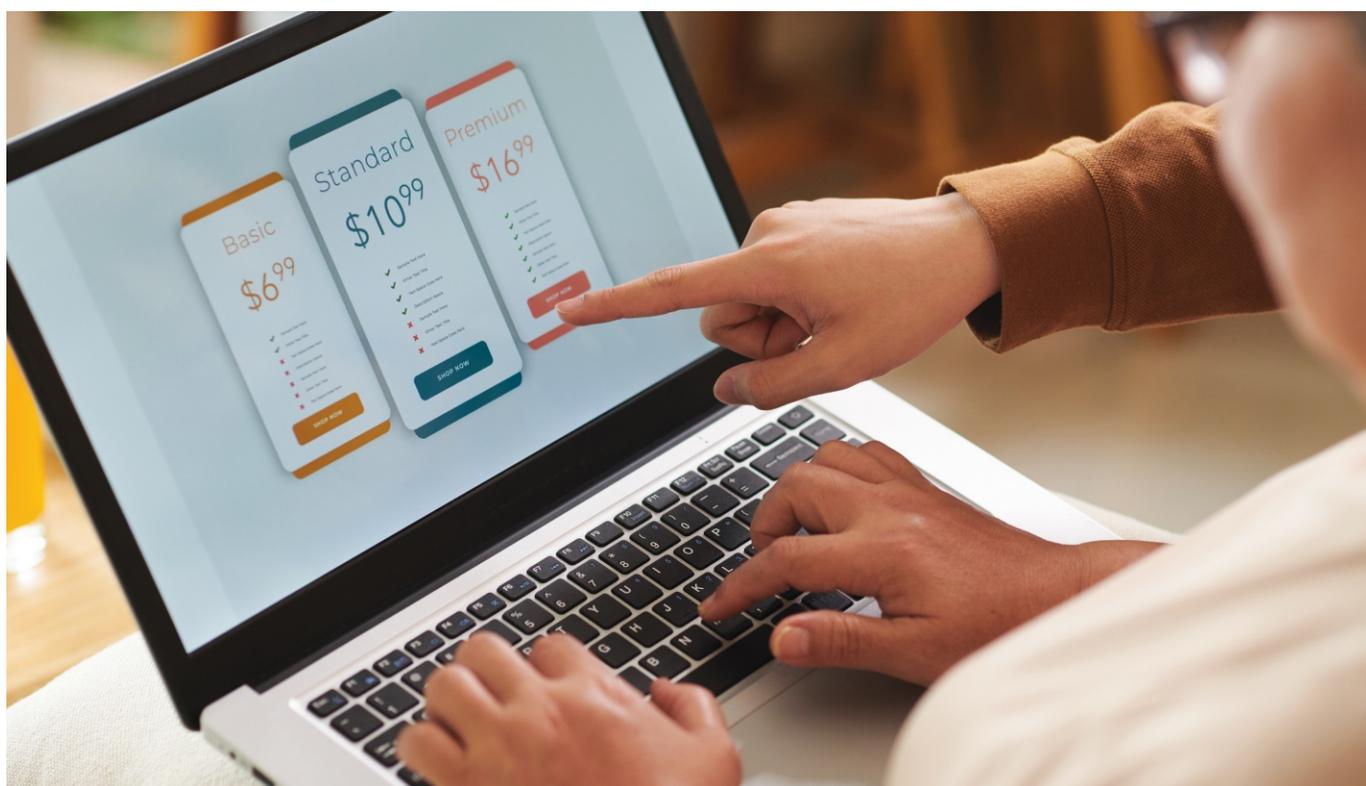
<sup>v</sup> **Eye tracking** is a technology that measures where and how long a person looks at different parts of a visual display, providing insights into attention patterns.

<sup>vi</sup> **Golden Halo effect** is a term used in the research by Nicolette J. Sullivan and team referring to an outcome of the label of 'default' that increases the perceived value of an option, making it seem better simply because it is the default.

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